

**PLEASE HELP!**  
**Legislation is needed to Extend CalVet Benefits**

On behalf of California's 2.3 million veterans, we need your help to ensure that all who selflessly served in our Armed Forces can realize the American dream of home ownership. Without your help, the CalVet Home Loan Program is in jeopardy!

Under existing law as it applies to California, Qualified Veterans Mortgage Bonds (QVMB) can only be used by wartime veterans who served at least one day of active duty prior to 1977, and apply for a loan within 30 years from date of separation from active duty. The California Department of Veterans Affairs (CDVA) can sell up to \$340 million of QVMB each calendar year to fund CalVet loans for eligible veterans, and there is no "sunset" on the issuance of QVMB.

CDVA, in conjunction with Alaska, Oregon, Texas and Wisconsin, has been working since the early 1990's to pass federal legislation to lift the eligibility restrictions and enable recent wartime veterans, including those who are now fighting the Global War on Terror, to receive the same benefit as veterans of prior wars.

Congressman Ryan (Wisconsin) introduced H.R. 2952 in the 109<sup>th</sup> Congress. As introduced, this bill was acceptable to CDVA and would have met our needs. It would have removed the 1977 date, allowed us to issue \$265 million each year in QVMB, and contained no sunset date on the issuance of QVMB.

Unfortunately, the bill was incorporated into H.R. 4297, the Tax Relief Extension Reconciliation Act of 2005, and even though the revised language removed the 1977 restriction, it would have reduced the annual volume cap for California to an insignificant \$66.25 million in the 5<sup>th</sup> (and final) year on a sliding scale, beginning with only \$13.5 million the first year. It also added a sunset date, after which no QVMB can be issued. This would effectively put the CalVet QVMB program out of business in 2010.

H.R. 4297 was enacted, but its provisions do not apply to California and Texas, which were exempted from the affects of the bill at their request. These two states continue to operate under existing law. This enables CDVA to issue most of the QVMB already authorized by California's voters; however, we will have to once again seek a change in federal law to meet our specific needs.

Either H.R. 2952 must pass in this, the 109<sup>th</sup> Congress, or new legislation would need to be introduced in the 110<sup>th</sup> Congress to accomplish the following:

- *Remove the 1977 eligibility limitation.*
- *Obtain an annual volume cap equal to or exceeding the existing \$340 million cap, due to the high cost of housing and the high number of veterans in California.*
- *Assure there is no sunset date on the issuance of QVMB bonds.*

Please contact your Senate and Congressional representatives immediately and let them know you support passage of H.R. 2952 or future legislation. If no legislative action is taken, the pool of veterans eligible for QVMB money will continue to decrease and there will be insufficient funds from other sources to supply loan demand under the most competitive terms possible. Actions to further reduce Program costs and reduce CalVet product offerings will be necessary.